

Claims:

Please cancel all of the claims of record and substitute new claims 1 through 21 as follows:

1. A method for defining indirect loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:
 - (a) using a contract that enables an exchange of money between two parties, where the coverage buyer is someone other than an insurer or a reinsurer, whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.
2. The contract of claim 1(a) that is structured as one or more provisions in any type of contract.
3. The contract of claim 1(a) that is used to cover any type of indirect loss except business interruption and extra expense losses.
4. The contract of claim 1(a) where said contract's loss coverage is nonproportional to the losses recovered under said coverage parts of insurance policy.
5. A method for defining indirect loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:
 - (a) using a contract that enables an exchange of money between two parties, where the coverage buyer is someone other than an insurer or a reinsurer and the coverage seller is someone other than the insurer who underwrote said insurance policy, whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

6. The contract of claim 5(a) that is structured as one or more provisions in any type of contract.
7. The contract of claim 5(a) where said contract's loss coverage is nonproportional to the losses recovered under said coverage parts of an insurance policy.
9. The contract of claim 5(a) that is used to protect against any type of indirect loss except business interruption and extra expense losses.
10. A method for defining collateral loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:
 - (a) using a contract that enables an exchange of money between two parties, where the coverage buyer is someone other than an insurer or a reinsurer, whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.
11. The contract of claim 10(a) that is structured as one or more provisions in any type of contract.
12. The contract of claim 10(a) where said contract's loss coverage is nonproportional to the losses recovered under said coverage parts of an insurance policy.
13. A method for defining collateral loss coverage as a mathematical function of the recovery on one or more coverage parts of an insurance policy:
 - (a) using a contract that enables an exchange of money between two parties, where the coverage buyer is someone other than an insurer or a reinsurer and the coverage seller is someone other than the insurer who underwrote said insurance policy,

whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove.

14. The contract of claim 13(a) that is structured as one or more provisions in any type of contract.

15. The contract of claim 13(a) where said contract's loss coverage is not proportional to the losses recovered under said coverage parts of an insurance policy.

16. A method for predefining acceptable mathematical functions of loss coverage and premiums for said coverage based on the losses paid by and the premiums paid for one or more coverage parts of an insurance policy:

- (a) using a contract that enables an exchange of money between two parties, where the coverage buyer is someone other than an insurer or a reinsurer,
- (b) using a means of communicating this information to potential counterparties that may want to enter into said contract,

whereby simple and cost efficient coverage may be provided for losses that are expensive to define or prove without the need for extensive negotiations.

17. The contract of claim 16(a) that is structured as one or more provisions in any type of contract.

18. The contract of claim 16(a) where said functional relationships are proportional to the premiums charged for and the losses paid by said coverage parts of an insurance policy.